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| **1** | **Apply knowledge of life, disability, and health insurance regulatory framework, concepts, and approaches.** |

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| **Kaupae |** Level | 5 |
| **Whiwhinga |** Credit | 5 |
| **Whāinga |** Purpose | The purpose of this skill standard is for people who want to work as a financial adviser in the provision of life, disability, and health insurance advice services.  This skill standard will provide learners with the knowledge and skills to apply knowledge of life, disability, and health insurance regulatory framework, concepts, and approaches.  This skill standard has been developed primarily for the assessment within programmes leading to the New Zealand Certificate in Financial Services (Level 5) with strand in Life, Disability, and Health Insurance. |

**Hua o te ako me Paearu aromatawai |** Learning outcomes and assessment criteria

| **Hua o te ako |** Learning outcomes | **Paearu aromatawai |** Assessment criteria |
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| 1. Provide life, disability, and health insurance services with knowledge of insurance concepts, regulatory framework, and key participants and roles. | 1. Explain steps taken to ensure client understands insurance advice process. |
| 1. Apply knowledge of the regulatory framework, insurance principles and concepts when providing insurance services. |
| 1. Apply knowledge of key participants and roles in insurance organisations. |
| 1. Record client information, interactions, analysis, and recommendations. |
| 1. Apply risk management and approaches to life, disability, and health insurance situations. | a. Describe types of risk and the relevance of insurance products to those risks. |
| b. Evaluate exposures to risk in terms of probability of risk, and potential severity and impact of risk consequences. |
| c. Apply risk management approaches to insurance situations. |

**Pārongo aromatawai me te taumata paearu |** Assessment information and grade criteria

*Assessment specifications:*

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Learners are not expected to use tools and systems that are only available if they are available to a licenced financial advice provider or having a licence to use.

Any use of digital advice tools or artificial intelligence will need to be used in accordance with relevant organisational and industry codes of conduct and practice.

All activities must comply with legislation, regulations, and best practice, including any guidance notes published by the agency responsible for the relevant enactment or code.

*Client* also includes potential clients. Clients may include Trust, business, individual or a purchaser of insurance.

*Client* is intentionally broad to capture all types and include, individuals, partnerships, businesses, families, companies, trusts, charities, organisations, body corporates, and associations as current examples.

***Ngā momo whiwhinga |*** *Grades available*

Achieved

**Ihirangi waitohu |** Indicative content

Steps taken to ensure client understands insurance advice process.

* helping client understand the process that is taken.

Regulatory framework as they apply to financial services and the provision of life, disability, and health insurance advice

* legislation
* regulations
* codes of conduct and/or practice.

Insurance principles and concepts

* risk transferral through insurance
* compensation not enrichment
* reinsurance
* correct policy ownership
* tax implication.

Key participants and roles

* client
* financial advisors ie: intermediaries
* insurance product providers
* regulators
* dispute resolution services.

Types of risk

* pure risk
* speculative risk
* insurable risk.

Exposures

* direct losses
* consequential losses
* hidden losses.

Risk management approaches

* identification
* avoidance
* mitigation
* financing
* acceptance
* transfer.

**Rauemi |** Resources

* [Code of Professional Conduct for Financial Advice Services](https://financialadvicecode.govt.nz/wp-content/uploads/2021/03/codeofprofessionalconduct-march2021.pdf)
* Consumer Guarantees Act 1993
* Customer vulnerability and expectations for providers - [CustomerVulnerability-ourexpectationsforproviders.pdf (fma.govt.nz)](https://www.fma.govt.nz/assets/Reports/CustomerVulnerability-ourexpectationsforproviders.pdf)
* Fair Insurance Code 2016
* Fair Trading Act 1986
* [Financial Markets Authority - Developing cyber resilience for financial advice providers (July 2024)](https://www.fma.govt.nz/assets/Information-sheets/Developing-cyber-resilience-for-financial-advice-providers.pdf)
* Financial Markets Authority- [Understanding Artificial Intelligence in Financial Services (July 2024)](https://www.fma.govt.nz/assets/Research/Understanding-Artificial-Intelligence-in-Financial-Services.pdf) by Mikayla Pakinga-Lawson, Amie White, Stuart Johnson
* Financial Markets Conduct Act 2013
* Financial Services Legislation Amendment Act 2019
* Financial Services Providers (Registration and Dispute Resolution) Act 2008
* Health and Safety at Work Act 2015
* Insurance Intermediaries Act 1994
* Insurance Law Reform Act 1977
* Insurance Law Reform Act 1988
* Privacy Act 2020
* Relevant industry codes of conduct
* Six Step Process - ISO 22222:2005 Personal Financial Planning – Requirements for personal financial planners, available from <https://www.iso.org>
* Relevant industry codes of conduct;
* and their subsequent amendments or replacements.

**Pārongo Whakaū Kounga |** Quality assurance information

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| **Ngā rōpū whakatau-paerewa |** Standard Setting Body | Ringa Hora Services Workforce Development Council |
| **Whakaritenga Rārangi Paetae Aromatawai |** DASS classification | Service Sector> Financial Services> Professional Practice |
| **Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga |** CMR | 0003 |

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| **Hātepe |** Process | **Putanga |** Version | **Rā whakaputa |** ReviewDate | **Rā whakamutunga mō te aromatawai |** Last date for assessment |
| **Rēhitatanga |** Registration | <type here> | [dd mm yyyy] | [dd mm yyyy] |
| **Arotakenga |** Review | <type here> | [dd mm yyyy] | [dd mm yyyy] |
| **Kōrero whakakapinga |** Replacement information | This skill standard replaces unit standards 31865. | | |
| **Rā arotake |** Planned review date | 2029 | | |

Please contact Ringa Hora Services Workforce Development Council at [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) to suggest changes to the content of this skill standard.